on the full increase in the international prices in the domestic consumer prices of these products. The under-recoveries of OMCs on account of PDS Kerosene and Domestic LPG, estimated to be around Rs. 13,558 crore during April-December 2004, were partly shared by the upstream oil PSUs, which benefited from high oil prices.

The pricing mechanism for petrol, diesel, PDS Kerosene and Domestic LPG during 2004-05 has attempted to balance the interests of various stakeholders, *viz.,* Consumers, Government and Oil Companies. The burden borne by oil companies will, of course, go up to the extent that domestic prices are not revised upwards when international prices shoot up, but it is hoped that when international prices stabilise the price band mechanism might be restored, thus moderating the burden of under-recoveries on oil companies.

Natural gas storage

109. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a proposal to develop natural gas storage facilities;

(b) if so, the details thereof; and

(c) the purpose of this storage and beneficiaries thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Yes, Sir. Many developed countries have created underground storage facilities to meet the eventuality of disruption in gas supplies and to meet the requirements of seasonal demand variation. In India also, it has been decided to develop underground natural gas storage facilities. The proposal is at a conceptual stage. Abandoned gas wells and salt caverns are generally used for this purposes. The gas consuming industries will be the beneficiaries of these facilities.

Oil deposits in Assam

110. SHRI LALIT SURI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether new oil deposits have recently been found in Assam;

(b) if so, the details thereof; and

(c) by when exploration is expected to begin?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Oil and Natural Gas Corporation Ltd. (ONGC) has made one new oil find at East Lakhibari in the State of Assam during 2003-04.

Other exploratory leads obtained in the State during 2004-05 are under assessment.

(c) The East Lakhibari area has already been covered by 3D seismic data, based on the interpretation of which inputs for delineation have been identified. One well, East Lakhibari-1, has been put on trial production.

Revival of Bhatinda Oil Refinery

111. SHRIMATISUKHBUNSKAUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Hindustan Petroleum Corporation Ltd, (HPCL) has decided to revive the Bhatinda Oil Refinery Project, the work on which was suspended in 2002;

(b) if so, the details of the revised project, and the steps taken/being taken in that direction; and

(c) under what circumstances the work on the project was suspended earlier?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The refinery project at Batinda (Punjab) was to be set up by Hindustan Petroleum Corporation Limited (HPCL) keeping in view the incentives granted by Government of Punjab (GOP) to the project. In respect of these incentives, HPCL had sought a Deed of Assurance (DOA) from the State Government. The work on the project was kept on hold as the conclusion of DOA was awaited. GOP have now agreed to grant the incentives in a modified from. Accordingly, HPCL intend to take up the refinery project after concluding the DOA with GOP.